## Message Text

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**ACTION EUR-12** 

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 9482

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

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E.O. 11652: N/A TAGS: UK,EEC

SUBJECT: WILSON LOSING HIS GRIP ON LABOR PARTY'S

MANAGEMENT OF EC ISSUE

SUMMARY. THE ANTI-MARKETEERS HAVE DEMONSTRATED UNEXPECTED STRENGTH AMONG LABOR MPS, AND ARE THREATENING TO COMMIT THE LABOR PARTY ITSELF TO CAMPAIGNING AGAINST THE LABOR GOVERNMENT'S RECOMMENDATION. WILSON'S RELUCTANCE TO IMPOSE NORMAL DISCIPLINE ON HIS CABINET HAS GIVEN THE ANTI-MARKETEERS AN OPENINQ THEV ARE SKILLFULLY EXPLOITINQ. THE DEVELOOING SOLIT HAS POTENTIALLY QRAVE CONSEQUENCES LIMITED OFFICIAL USE

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FOR WILSON'S OWN POSITION AS LEADER. END SUMMARY.

- 1. ANTI-MARKETEERS IN THE LABOR PARTY HAVE QUICKLY AND ADROITLY MOVED TO WREST FROM PRIME MINISTER WILSON THE INITIATIVE ON THE EC MEMBERSHIO ISSUE. IMMEDIATELY IN THE WAKE OF WILSON'S ANNOUNCEMENT THAT HIS CABINET HAD ENDORSED THE RENEGOTIATED TERMS AND WOULD RECOMMEND TO THE BRITISH ELECTORATE A FAVORABLE VOTE IN THE REFERENDUM, FIVE OF THE SEVEN DISSENTING CABINET MEMBERS OUT DOWN AN EARLY DAY MOTION OPOOSING THE GOVERNMENT'S RECOMMENDATION. THE MOTION HAS ALREADY ATTRACTED ABOUT 140 SIGNATURES INCLUDING THOSE OF TWO DOZEN MINISTERS AND WHIPS, AND THE TOTAL IS CLIMBINQ TOWARDS A MAJORITY (159) OF THE LABOR PARTY'S ENTIRE OARLIAMENTARY CONTINGENT.
- 2. EMBOLDENED BY THIS EVIDENCE OF SUPPORT 18 OF THE 29 MEMBERS OF THE PARTY'S NATIONAL EXECUTIVE COMMITTEE (NEC) GAVE NOTICE YESTERDAY (MARCH 20) THAT THEV WOULD SPONSOR AN NEC MOTION RECOMMENDING TO THE FORTHCOMING SPECIAL PARTY CONFERENCE THAT THE PARTV SHOULD CAMPAIGN FOR UK WITHDRAWAL FROM THE EC. THE MOTION, WHICH WAS SIGNED BY THREE CABINET MINISTERS (BENN, FOOT AND CASTLE), AND TWO JUNIOR MINISTERS (JUDITH HART AND JOAN LESTOR) WILL BE CONSIDERED BV THE NEC AT ITS NEXT MONTHLY MEETING ON MARCH 26.
- 3. COMMENT: THE ANTI-MARKETEERS' ASTONISHING DEMON-STRATION OF STRENGTH AND THEIR APPARENT READINESS TO STAND UP TO THE GOVERNMENT IN EARNEST ARE PROVING AN EM-BARRASSMENT TO WILSON'S POSITION AS LEADER OF THE LABOR PARTY. IT WAS WIDELY ASSUMED BY PRO-MARKETEERS, AND PRESUMABLY BY WILSON HIMSELF. THAT ONCE THE CABINET HAD PRONOUNCED IN FAVOR OF STAYING IN THE EC, THE MIDDLE GROUP OF UNCOMMITTED LABOR MPS WOULD LINE UP BEHIND THE GOVERNMENT, AND THAT THE FINAL DIVISION IN THE PLP WOULD BE ROUGHLY FIVE TO THREE IN FAVOR OF STAYING IN THE EC. THIS CALCULATION SERIOUSLY UNDERESTIMATED THE PULL OF ANTI-MARKET SENTIMENT WITHIN THE PARTY. GIVEN LICENSE BY THE PM TO DISAGREE, MANY MPS HAVE FOUND IT POLITIC TO CAST THEIR LOT WITH THE ANTI-MARKETEERS. WE HAVE BEEN INFORMED THAT CALLAGHAN AND OTHERS ARE NOW DESPERATELY LIMITED OFFICIAL USE

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STRIVING TO HALT THE 495, BUT MUCH OF THE DAMAGE HAS ALREADY BEEN DONE.

4. THE EMBARRASSMENT CAUSED BY HAVING HALF THE PLP ON RECORD AS OPPOSED TO A CABINET RECOMMENDATION IS SMALL COMPARED TO THE PROSPECT, POSED BY THE NEC MOTION, OF THE LABOR PARTY MACHINERY IN THE COUNTRY AT LARGE BEING MOBILIZED TO CAMPAION AGAINST THE RECOMMENDATION OF A

LABOR GOVERNMENT. WHILE IT HAS ALWAVS BEEN ACCEPTED THAT THE SPECIAL CONFERENCE, DOMINATED BY THE TRADE UNIONS, WOULD GO ON RECORD AS OPPOSING EC MEMBERSHIP, IT WAS EXPECTED THAT THE PARTY AS A PARTY WOULD REMAIN NEUTRAL IN THE REFERENDUM CAMPAIGN. WILSON WILL NOW HAVE TO FIGHT HARD TO GAIN EVEN THAT. IT IS ALL WELL AND GOOD FOR HIM TO ASSERT THAT HE WILL NOT REGARD A NEGATIVE REFERENDUM OUTCOME AS CAUSE FOR RESIGNATION, BUT IF HE IS REPUDIATED BY HIS OWN PARTY AND THEN NOT VINDICATED BY THE ELECTORATE, THERE IS A REAL QUESTION HOW MUCH AUTHORITY HE WOULD CONTINUE TO HAVE AS PRIME MINISTER.

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## Message Attributes

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